

Message Text

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15

ACTION OPIC-12

INFO OCT-01 NEA-14 ISO-00 EB-11 PA-04 PRS-01 USIA-15 L-03

COME-00 TRSE-00 CIAE-00 INR-10 NSAE-00 OMB-01 /072 W

----- 045471

R 160930Z JUN 74

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 8334

UNCLAS KABUL 3711

E.O. 11652: N/A

TAGS: EFIN, AF

SUBJ: OPIC PRESS RELEASE RE YAQUB LEATHER INDUSTRIES
INCORPORATED (YLI)

REFS: (A) STATE 127293, (B) STATE 127548

1. OPIC PRESS RELEASE ESSENTIALLY SATISFACTORY TO EMBASSY &
YAQUBS.

2. SIGNING IS NOW SCHEDULED FOR 3:00 P.M., JUNE 18. PRESENT WILL
BE AMBASSADOR ELIOT, REPRESENTING OPIC, SHER AHMED YAQUB, PRESIDENT
OF YLI, DAVID MCGAFFEY, DR. SAMI UDDIN TARAKI, OPIC'S AFGHAN
ATTORNEY, DR. FAZELI, YLI'S ATTORNEY, NOOR AHMED YAQUB, MIR AHMED
YAQUB, MOHAMMAD ZAHER, MOHAMMAD AFZAL - THE OTHER MEMBERS OF THE
YAQUB GROUP, MR. BALBIR MATHUR OF GENLEATHER, INC. & MR. JOHN
KEENE OF WOOD & HYDE, INC., A GENESCO SUBSIDIARY. MR. CLAUDE
BLANCHI OF THE INDUSTRIAL DEVELOPMENT BANK HAS BEEN INVITED.

3. THE LARGER GROUP IS NECESSITATED BY THE SIMULTANEOUS SIGNING
OF TMN PROJECT COMPLETION AGREEMENT. YOU MAY WISH TO INCLUDE
THESE NAMES IN YOUR PRESS RELEASE.

4. LOAN DOCUMENTS HAVE ARRIVED, AND EMBASSY IS PREPARED FOR
SIGNING. DATE FIXED AT JUNE 18 TO ALLOW FOR PARTICIPATION OF
MATHUR & KEENE, AT REQUEST OF YAQUB GROUP. PLEASE ADVISE IF
MATHUR & KEENE ARE AUTHORIZED SIGN PROJECT COMPLETION AGREEMENT
FOR GENLEATHER AND GENESCO, RESPECTIVELY. SIGNATURES WILL BE
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NOTARIZED BY EMBASSY CONSULAR OFFICER. SUBSEQUENTLY, SIGNATURES

OF AFGHAN PARTICIPANTS WILL BE "VERIFIED" BY CHAMBER OF COMMERCE, KABUL, AND SEAL & SIGNATURE OF CONSULAR OFFICER WILL BE " VERIFIED" BY MINISTRY OF FOREIGN AFFAIRS. THIS PROCEDURE RECOMMENDED BY LAWYER TARAKI.

5. MESSAGE GIVEN PARA 2, REF (B) PASSED TO SHER AHMED.

6. FOLLOWING IS PROPOSED PRESS RELEASE ON YLI CLEARED BY YAQUBS FOR PUBLICATION IN KABUL. PLEASE ADVISE IF ANY CHANGES NECESSARY.

7. "AT 3:00 P.M. JUNE 18, A LOAN AGREEMENT WAS SIGNED BETWEEN THE OVERSEAS PRIVATE INVESTMENT CORPORATION, A U.S. GOVERNMENT AGENCY, AND YAQUB LEATHER INDUSTRIES, INC., AN AFGHAN PRIVATE FIRM WHICH IS A JOINT VENTURE BETWEEN THE YAQUB GROUP, AFGHAN INVESTORS, THE INDUSTRIAL DEVELOPMENT BANK OF AFGHANISTAN, A PRIVATE DEVELOPMENT BANK, AND GENLEATHER, INC., A U.S. CORPORATION WHICH IS A WHOLLY-OWNED SUBSIDIARY OF GENESCO, INC., A TENNESSEE-BASED U.S. CONGLOMERATE.

THIS JOINT VENTURE HAS A FACTORY SITUATED IN SHEWAKI, A SUBURB OF KABUL, WHICH WILL EVENTUALLY PRODUCE SEMI-FINISHED LEATHER FOR EXPORT. USING A COMBINATION OF LOCAL HIDE AND SKIN EXPERIENCE AND U.S. TECHNICAL EXPERTISE, IT HOPES TO TRANSFORM THE AFGHAN HIDE AND SKIN INDUSTRY FROM A STRICTLY RAW-MATERIAL SOURCE TO AN EXPORTER OF HIGH-VALUE FINISHED AND SEMI-FINISHED LEATHER.

THIS LOAN OF \$450,000.00 WILL BE OPIC'S FIRST PRIVATE DIRECT LOAN TO AFGHANISTAN. THIS IS IN ACCORD WITH THE CONGRESSIONAL INSTRUCTION TO OPIC TO FOCUS MORE OF ITS RESOURCES ON THE LEAST DEVELOPED COUNTRIES OF THE WORLD. THE FINISHED PRODUCTS OF THIS JOINT VENTURE ARE EXPECTED TO BE SOLD TO THE U.S. MARKET, THUS FURNISHING BOTH INCREASE EXPORT EARNINGS TO AFGHANISTAN AND A SOURCE OF INCREASINGLY SCARCE HIGH-QUALITY TANNED HIDES TO THE UNITED STATES.

MR. SHER AHMAD YAQUB, PRESIDENT OF YAQUB LEATHER INDUSTRIES, INC. SIGNED THE LOAN AGREEMENT ON BEHALF OF THE JOINT VENTURE, AND THE AMERICAN AMBASSADOR IN AFGHANISTAN, MR. THEODORE L. ELIOT, UNCLASSIFIED

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JR. SIGNED ON BEHALF OF OPIC."
ELIOT

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOAN AGREEMENTS, PRESS RELEASES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KABUL03711
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740156-0788
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740641/aaaabitr.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) STATE 127293, (B) STATE 127548
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 28 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 AUG 2002 by PhilliRO>; APPROVED <10 JAN 2003 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OPIC PRESS RELEASE RE YAQUB LEATHER INDUSTRIES INCORPORATED (YLI)
TAGS: EFIN, AF, OPIC, YAQUB LEATHER INDUSTRIES
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005